TOLLING STUDY WORKPLAN

Proposed Deliverables to Establish the Study, Scope of Work, and the Expected Study Outcomes

BRIEFING PAPER
Prepared for the
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PURPOSE:

The purpose of this tolling study for the State of Washington is to gather and present information to support step-by-step decision-making by the legislative and executive branches to broaden and refine the use of tolls on highway facilities in the state.

The tolling study will be produced for, presented to, and approved by the Washington State Transportation Commission and will be prepared with the technical support of the Department of Transportation. A consultant team to perform the study will be selected by the Commission based on a solicitation process conducted by the Department under the Commission's supervision.

BACKGROUND:

The 2005-2007 Transportation Budget (ESSB 6091, Section 206) provides $1.5 million to the Transportation Commission to conduct, with the technical assistance of the Department, a study of the state's transportation system to determine the feasibility of administering tolls on specific transportation facilities or a network of facilities. This study shall serve as the statewide tolling feasibility study required in the new transportation innovative partnership program legislation (ESHB 1541), and shall serve as the tolling study necessary to implement toll facilities within a regional transportation investment district or its successor entity. Preliminary results of the study are due to the legislature in January 2006.

DISCUSSION:

Specific deliverables and a time line for their preparation and presentation will be described in greater detail in the detailed sections of this scope of work. In summary, the deliverables, supported by qualitative and quantitative analysis, will encompass the following.

Descriptive Analysis of Potential Tolling Opportunities in the Near-, Mid-, and Long-Term

> This material will identify candidate corridors, routes, facilities and systems where user tolls are a potential means of raising revenue (for project finance, for

other capital costs, for operating costs) and/or managing the roadways to achieve more efficient utilization of capacity.

The deliverable will identify these opportunities as discrete elements and also present illustrative examples of how such opportunities can be linked together to create tolling systems. These linkages should be expressed as illustrations of step-by-step system implementation.

In identifying potential tolling opportunities for treatment in this section, the consultant should conduct a literature review and consult with the Department of Transportation. The study should also create a mechanism so that suggestions of legislators, local officials, transportation organizations and members of the public can contribute potential toll opportunities to the analysis.

The deliverable should include examples from elsewhere in the United States or other countries to demonstrate the ways in which potential tolling projects described in the study compare to the specific experience with highway tolling now being gained in other locations.

Traffic Analysis

This deliverable should demonstrate the basic issues presented by use of roadway tolls as affecting roadway use. It should describe the elements, powers and limits of traffic forecasting and present illustrative examples of real-world experience.

The discussion of traffic analysis should support the informed consideration by policymakers and citizens of how short-, mid- and long-term steps in the implementation of roadway tolling might affect the efficiency of the use of transportation facilities, the incidence of congestion, and the effects that tolls might have on the management or even the alleviation of congestion.

This deliverable should be keyed wherever possible to the discussion of special tolling steps that the descriptive material described in the first deliverable might envision.

Fiscal Analysis

This deliverable should demonstrate the basic issues presented in assessing the fiscal opportunities and returns presented by tolling opportunities and strategies. Five or six simple illustrative models should be developed to serve as a basis for understanding the relationships between toll levels and revenue levels, the effects of system and network issues on revenues, the operation of “variable tolling” mechanisms, and the potential ties between tolling systems and project finance and operating revenue structures.

The deliverable should present a clear discussion of the various levels of accuracy and assurance to which financial forecasting can be developing, including the specific concept of an "investment grade tolling study." Examples of such studies and their relative success from elsewhere in the United States should be presented.

A special deliverable should demonstrate the interconnections between the analysis –forecasted and measures– of traffic impacts from tolling and the analysis –forecasted and measures – of fiscal analysis of tolling structures.

Technology Analysis

This deliverable should summarize and illustrate the facility, vehicle, and financial system technologies that are now available to support modern tolling systems. The deliverable should also summarize currently envisioned scenarios for the development and extension of toll-related technologies in the period through 2030.

This deliverable should describe the decisions about technology that policymakers will have to make in the course of a one-step-at-a-time implementation of increased reliance of tolling on highway systems.

The deliverable should describe the vision and the challenges of creating a "single, seamless tolling experience" for tolled facilities or systems anywhere in the state.

The deliverable in this area should also include examples of best current thinking on the costs of the implementation of tolling systems both for tolling technology and for the maintenance of adequate systems of billing, of revenue separation for system tolling scenarios, and for the maintenance of fiscal controls and adequate system security both for the tolling operator and for toll system users. Current and forthcoming policy issues, including issues of the protection of personal privacy, should be identified, discussed and evaluated.

Assessment of Social and Environmental Impacts

This deliverable should suggest and develop simple models and analytic descriptions of the issues of fairness and equity presented by the step-by-step implementation of tolled facilities and tolling systems. This analysis should illustrate such issues from the perspective of individual users and user classes. It should also consider macro issues of benefit/cost analysis relating to system wide impacts such as delay reduction, social impacts of the reduction of "free" use of roadways, and the like.

There is little clarity today on the question of how decisions for tolling systems, especially as implemented on a step-by-step basis, should be assessed for impacts

on the environment. This deliverable should suggest current leading thinking on those issues and present scenarios for how such considerations might likely play out in relation to legal requirements, for example under the National Environmental Policy Act, for the development of information for decision-makers and potential mitigation requirements for project implementation.

Legal and Regulatory Constraints

This deliverable should describe and suggest the practical significance of current state and federal legal and regulatory concerns that will constrain or influence any step-by-step program for the implementation of greater reliance on tolls for raising revenue and managing scarce and expensive roadway capacity.

Public Attitudes

This deliverable should describe recent and current experience elsewhere in the country on the subject of increased reliance on tolling for revenue and/or capacity management purposes. The deliverable should in particular isolate and describe on a "case study" basis those situations which appear to have seen the development of positive public attitudes toward tolling and, in contrast, the situations that have given rise of negative public attitudes about tolling implementation. Lessons should be drawn about the strategies that are useful in building good civic understanding of tolling potentials and choices.

A decision has not yet been made about whether this scope will include any survey or assessment of public opinions and attitudes across the state or in any part of the state concerning the public acceptability of tolling implementation.

Administrative Arrangements

This deliverable will describe administrative or organizational arrangements now in place or in development for implementing and managing tolled facilities or systems around the United States. Suggestions will be offered in "pro" and "con" fashion that will help relate the potential application of various such structures to the potential telling step-by-step plan that might be considered or adopted in this state.

Project Evaluation and Selection

This deliverable should propose suggested answers to the question: "what projects, facilities or systems should be screened through for further consideration as potential tolling opportunities for the State of Washington." The deliverable should present its results in terms that will be useful for legislators, for administrators, and for citizens as tolling implementation is further considered in this state.

Discrete Project-Specific Deliverable

The legislature has instructed that this tolling study shall specifically report on each of the following:

- The toll system on the Tacoma Narrows Bridge, including a more uniform and equitable distribution of the financial impact on those paying tolls, and exploring options for reducing the outstanding debt on the bridge.

- The use of value pricing by Regional Transportation Improvement Districts to pay for needed transportation facilities within the RTID boundaries.

- The potential for tolling SR 704 (Cross Base Highway).